GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

STARRED QUESTION NO:34
ANSWERED ON:26.04.2016
Drug Prices
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Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

a) whether some pharmaceutical companies are reportedly charging more price than the rate indicated in the price list/label of containers of medicines, if so, the details thereof and the reasons therefor indicating the number of companies which have been issued notices in this regard;

(b) the recovery effected if any, from such erring pharmaceutical companies;

(c) whether any norms/criteria exist with respect to the constituents of drugs manufactured by multinational companies, if so, the details and the reasons therefor;

(d) whether the performance of domestic pharmaceutical companies remain sub-optimal due to frequent shortage of essential drugs and if so, the details thereof; and

(e) whether the Government is planning to set up any regulatory authority to check such unethical practices in pharmaceutical industry and if so, the details thereof?

Answer

MINISTER IN THE MINISTRY OF CHEMICALS & FERTILIZERS (SHRI ANANTH KUMAR)

(a) to (e): A statement is laid on the Table of the House.

Statement referred to in reply to Lok Sabha Starred Question No. *34 for answer on 26.04 .2016 regarding Drug Prices.

(a) & (b): Yes, Madam. Whenever companies are found overcharging the consumer in respect of prices of medicine, NPPA issues notices to the companies. Demand Notices are issued to pharmaceutical companies for recovery of overcharged amount alongwith interest thereon for violation under various provisions of DPCO, 1995 and DPCO, 2013 read with Section 7A of Essential Commodities Act, 1955. The details of overcharging cases of 2015-2016 are given below.
2015-16

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No. of Companies Demand Notice issued
(Rs. in crore) Recovery effected
(Rs. in crore)
DPCO, 1995 DPCO, 2013 Total DPCO, 1995 DPCO, 2013 Total DPCO, 1995 DPCO, 2013 Total
159 104 263 907.84 20.48 928.32 7.96 4.72 12.68</>

The year-wise list of these overcharging cases (updated upto 31.03.2016) has been uploaded on the website of NPPA i.e. www.nppaindia.nic.in.

(C): No, Madam.

(d): Domestic Pharmaceutical Companies have been showing continuous growth in their business over the last few years and their performances is not sub-optimal.

(e): The Government has already set up the National Pharmaceutical Pricing Authority (NPPA) as a Regulatory Authority in 1997 which has the powers to check overpricing and such unethical practices.

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